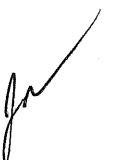


EXHIBIT 8.06B
ADJUSTMENTS FOR SPECIFIC CHANGES IN YEAR 15

Exhibit 8.06B: Projected Costs of Compliance with Newly Amplified Performance Specifications and Standards

Section	Item	Nature of Expense (Implementation Date)	Cost	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
5.11A	Property Damage	Purchase / install 12 monitoring cameras (Nov '04) Depreciation Interest	16,326		4,898 1,810	3,265 570	3,265 345	3,265 121	1,633	
5.15C	Clean, paint, label containers	Additional person in container shop, to operate a second exchange route, and help maintain containers (Nov '04) <i>Reimbursement through normal Contractor Payment process only</i>	On-going			61,808	93,935	96,753	99,655	102,645
5.16 F	Employee Conduct & Courtesy Training	Outside consultant: evaluate situation; write procedures, perform initial staff training (Jul '05)	7,500		7,500					
	Standard Route Stop Sequence	Outside consultant: analyze current routes; determine optimum stop sequence for each route; train route staff (Jul '05)	6,000		6,000					
6.05D	Telephone System	Upgrade system to handle higher call volumes; record hang-ups and holds; include education-on-hold (July '05) Depreciation Interest	18,000		1,800 1,123	3,600 873	3,600 628	3,600 380	3,600 134	1,800
6.05F	E-Mail Access	Maintain Company's website (Jul '05)	On-going		2,000	2,000	2,000	2,000	2,000	2,000
6.15	Audit City Billings	Additional person to perform on-going audits (Jul '05) Computer workstation & mobile phone Depreciation Interest	On-going 1,200		67,086	69,099	71,172	73,307	75,506	77,772
					120 75	240 58	240 42	240 25	120 9	
				-	92,412	141,513	175,227	179,692	182,658	184,217

EXHIBIT 9.03
FAITHFUL PERFORMANCE BOND

A handwritten signature in black ink, located in the bottom right corner of the page. The signature is stylized and appears to be a single name.



Aon Risk Services

January 5, 2004

Gail M. Bentley
Solid Waste Program Specialist
Dept of Public Works
P.O. Box 3707
Sunnyvale, CA. 94088-3707

RE: Bay Counties Waste Services, Inc.
Performance Bond #57BCSAC8132

Dear Ms. Bentley:

Enclosed please find the renewal Certificate effective February 1, 2004 through January 31, 2005 as required by the Franchise Agreement.

After your review if you have any questions please do not hesitate to call.

Sincerely,

A handwritten signature in cursive script, appearing to read "Anna Sweeten".

Anna Sweeten
Senior Account Manager

WJP/as

enc.

cc: Bay Counties Waste Services

Continuation Certificate

The Hartford Insurance Group

The Hartford Fire Insurance Company

(hereinafter called the Company)

hereby continues in force its Bond No. 57BCSAC8132

in the sum of Three Million Dollars and 00/00

(\$3,000,000) Dollars,

on behalf of Bay Counties Waste Services, Inc.

in favor of City of Sunnyvale, a Municipal Corporation of the State of California

for the (extended) term beginning on February 1, 2004 and ending on January 31, 2005

subject to all the covenants and conditions of said Bond, said bond and this and all continuations thereof being one continuous contract.

This Continuation is executed upon the express condition that the Company's liability under said Bond and this and all continuations thereof shall not be cumulative and shall in no event exceed the sum of Three Million Dollars and 00/00

(\$3,000,000) Dollars.

IN WITNESS THEREOF, the Company has caused this instrument to be signed by its officers proper for the purpose and its corporate seal to be hereto affixed on December 31, 2003

By:

Anna Sweeten

Anna Sweeten

Attorney in fact

Attest:

Jorge M. Balboa

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

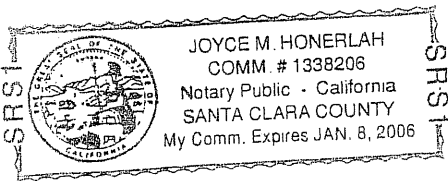
State of California

County of Santa Clara

On December 31, 2003 before me, Joyce M. Honerlah, Notary Public,

personally appeared Anna Sweeten

- ☒ personally known to me- OR - ☐ proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



WITNESS my hand and official seal

SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER

TITLE(S)

- ☐ PARTNER(S) ☐ LIMITED
☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER: _____

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER(S) OTHER THAN NAMED ABOVE

SIGNER IS REPRESENTING

NAME OF PERSON(S) OR ENTITY(IES)

POWER OF ATTORNEY

THE HARTFORD

HARTFORD PLAZA
HARTFORD, CONNECTICUT 06115

<input checked="" type="checkbox"/> Hartford Fire Insurance Company	Twin City Fire Insurance Company <input type="checkbox"/>
<input checked="" type="checkbox"/> Hartford Casualty Insurance Company	Hartford Insurance Company of Illinois <input type="checkbox"/>
<input checked="" type="checkbox"/> Hartford Accident and Indemnity Company	Hartford Insurance Company of the Midwest <input type="checkbox"/>
<input type="checkbox"/> Hartford Underwriters Insurance Company	Hartford Insurance Company of the Southeast <input type="checkbox"/>

KNOW ALL PERSONS BY THESE PRESENTS THAT the *Hartford Fire Insurance Company*, *Hartford Accident and Indemnity Company* and *Hartford Underwriters Insurance Company*, corporations duly organized under the laws of the State of Connecticut; *Hartford Insurance Company of Illinois*, a corporation duly organized under the laws of the State of Illinois; *Hartford Casualty Insurance Company*, *Twin City Fire Insurance Company* and *Hartford Insurance Company of the Midwest*, corporations duly organized under the laws of the State of Indiana; and *Hartford Insurance Company of the Southeast*, a corporation duly organized under the laws of the State of Florida; having their home office in Hartford, Connecticut, (hereinafter collectively referred to as the "Companies") do hereby make, constitute and appoint, **up to the amount of unlimited:**

Rick F. Prentice, William J. Prentice, Anna Sweeten, Richard S. Svec, Suman K. Toor
of
San Jose, CA

their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety(ies) only as delineated above by ☒, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

In Witness Whereof, and as authorized by a Resolution of the Board of Directors of the Companies on September 12th, 2000, the Companies have caused these presents to be signed by its Assistant Vice President and its corporate seals to be hereto affixed, duly attested by its Assistant Secretary. Further, pursuant to Resolution of the Board of Directors of the Companies, the Companies hereby unambiguously affirm that they are and will be bound by any mechanically applied signatures applied to this Power of Attorney.



Paul A. Bergenholtz

Paul A. Bergenholtz, Assistant Secretary

John P. Hyland

John P. Hyland, Assistant Vice President

STATE OF CONNECTICUT }
COUNTY OF HARTFORD } ss. Hartford

On this 19th day of September, 2000, before me personally came John P. Hyland, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Hartford, State of Connecticut; that he is the Assistant Vice President of the Companies, the corporations described in and which executed the above instrument; that he knows the seals of the said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed by authority of the Boards of Directors of said corporations and that he signed his name thereto by like authority.



CERTIFICATE

Jean H. Wozniak

Jean H. Wozniak
Notary Public

My Commission Expires June 30, 2004

I, the undersigned, Assistant Vice President of the Companies, DO HEREBY CERTIFY that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force effective as of 12/31/03

Signed and sealed at the City of Hartford.



Colleen Mastroianni

Colleen Mastroianni, Assistant Vice President

SW#20.2

**CITY OF SUNNYVALE
DEPARTMENT OF PUBLIC WORKS
MEMORANDUM**



January 29, 2003

To: Robert S. LaSala, City Manager
From: Marvin Rose, Director of Public Works *MR*
Subject: Signature Needed for Correction of Performance Bond Number

Specialty Solid Waste & Recycling is required by the Franchise Agreement to carry a \$3 million dollar performance bond, which they have secured. The bond number assigned was incorrect and will change effective February 1, 2003. All other conditions and terms of the bond remain as originally written.

AON Risk Services is asking for a signature from the City acknowledging acceptance of the correction of the bond number, as described in the attached letter. Please sign the attached copies, and return them to my office for mailing.

500# 20.2



Aon Risk Services

January 7, 2003

Mr. Mark Bowers
Solid Waste Program Manager
Dept of Public Works
P.O. Box 3707
Sunnyvale, CA. 94088-3707

JAN 09 2003


RE: Bay Counties Waste Services, Inc.
Performance Bond #57BSBBE4668

Dear Mr. Bower:

The Hartford Surety Company has advised us that we need to amend the bond number as the incorrect one was used. Enclosed please find the original rider for your files and a copy that we need you to sign your acceptance on. A return envelope is enclosed for your convenience.

If you have any questions please give me a call.

Sincerely,


Anna Sweeten
Senior Account Manager

/as

enc.

cc: Bay Counties Waste Services

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

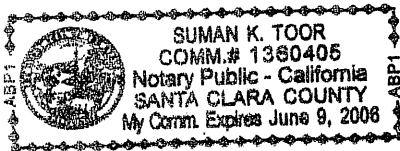
State of California

County of Santa Clara

On December 30, 2002 before me, Suman K. Toor, Notary Public,

personally appeared Anna Sweeten

☒ personally known to me- **OR** - ☐ proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



WITNESS my hand and official seal

Suman K. Toor

SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ INDIVIDUAL
☐ CORPORATE OFFICER

TITLE(S)

☐ PARTNER(S) ☐ LIMITED
☐ GENERAL

☒ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER: _____

DESCRIPTION OF ATTACHED DOCUMENT

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NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER(S) OTHER THAN NAMED ABOVE

SIGNER IS REPRESENTING

NAME OF PERSON(S) OR ENTITY(IES)
Hartford Fire Insurance Company

POWER OF ATTORNEY

THE HARTFORD

HARTFORD PLAZA
HARTFORD, CONNECTICUT 06115

☒ Hartford Fire Insurance Company
☒ Hartford Casualty Insurance Company
☒ Hartford Accident and Indemnity Company
☐ Hartford Underwriters Insurance Company

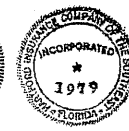
Twin City Fire Insurance Company ☐
Hartford Insurance Company of Illinois ☐
Hartford Insurance Company of the Midwest ☐
Hartford Insurance Company of the Southeast ☐

KNOW ALL PERSONS BY THESE PRESENTS THAT the *Hartford Fire Insurance Company*, *Hartford Accident and Indemnity Company* and *Hartford Underwriters Insurance Company*, corporations duly organized under the laws of the State of Connecticut; *Hartford Insurance Company of Illinois*, a corporation duly organized under the laws of the State of Illinois; *Hartford Casualty Insurance Company*, *Twin City Fire Insurance Company* and *Hartford Insurance Company of the Midwest*, corporations duly organized under the laws of the State of Indiana; and *Hartford Insurance Company of the Southeast*, a corporation duly organized under the laws of the State of Florida; having their home office in Hartford, Connecticut, (hereinafter collectively referred to as the "Companies") do hereby make, constitute and appoint, **up to the amount of unlimited:**

Rick F. Prentice, William J. Prentice, Anna Sweeten, Richard S. Svec, Suman K. Toor
of
San Jose, CA

their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety(ies) only as delineated above by ☒, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

In Witness Whereof, and as authorized by a Resolution of the Board of Directors of the Companies on September 12th, 2000, the Companies have caused these presents to be signed by its Assistant Vice President and its corporate seals to be hereto affixed, duly attested by its Assistant Secretary. Further, pursuant to Resolution of the Board of Directors of the Companies, the Companies hereby unambiguously affirm that they are and will be bound by any mechanically applied signatures applied to this Power of Attorney.



Paul A. Bergenholtz

Paul A. Bergenholtz, Assistant Secretary

John P. Hyland

John P. Hyland, Assistant Vice President

STATE OF CONNECTICUT }
COUNTY OF HARTFORD } ss. Hartford

On this 19th day of September, 2000, before me personally came John P. Hyland, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Hartford, State of Connecticut; that he is the Assistant Vice President of the Companies, the corporations described in and which executed the above instrument; that he knows the seals of the said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed by authority of the Boards of Directors of said corporations and that he signed his name thereto by like authority.



CERTIFICATE

Jean H. Wozniak

Jean H. Wozniak
Notary Public

My Commission Expires June 30, 2004

I, the undersigned, Assistant Vice President of the Companies, DO HEREBY CERTIFY that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force effective as of **DECEMBER 30, 2002**

Signed and sealed at the City of Hartford.



Colleen Mastroianni

Colleen Mastroianni, Assistant Vice President



Hartford Plaza, Hartford, CT. 06115

RIDER

Attached to and forming part of Bond # 57BSBBE4668, effective February 1, 2003

on behalf of Bay Counties Waste Services, Inc.

in favor of City of Sunnyvale

and in the amount of Three Million and 00/100ths Dollars (\$ 3,000,000.00)

It is understood and agreed that effective February 1, 2003 the Bond Number is being changed

From : 57BSBBE4668

To : **57BCSAC8132**

All other conditions and terms remain as originally written.

Signed, Sealed, and Dated December 30, 2002

*Keep
this copy*

Hartford Fire Insurance Company

By: *Anna Sweeten*
Anna Sweeten , Attorney - in - Fact

The above rider is hereby agreed to and accepted:

By: *Robert A. Lapala*
Obligee



EXHIBIT 10.01

LEASE AGREEMENT PROVIDING FOR CONTRACTOR'S LEASE TO CITY OF
VEHICLES FOR COLLECTION AND DISPOSAL SERVICES

LEASE AGREEMENT

This LEASE is made and entered into as of the 16th day of December 1997, by and between the City of Sunnyvale, a municipal corporation of the State of California (hereinafter the "City") and Bay Counties Waste Services, Inc., a California corporation formerly named Specialty Solid Waste and Recycling, Inc., and Specialty Garbage and Refuse Service, Inc., (hereinafter "Contractor").

RECITALS

This LEASE is entered into with reference to the following facts and circumstances which are agreed to by the parties:

1. The parties hereto are parties to a Restated Agreement between the City of Sunnyvale and Bay Counties Waste Services, Inc. for Collection of Solid Waste ("Franchise") whereby the Contractor is granted a franchise for the collection of solid waste within the City.

2. The provision of adequate, reliable and continuous solid waste collection services is essential to the health, safety and well-being of residents of the City.

3. It is in the public interest for the City to continue to provide solid waste collection services in the event that Contractor is unable or unwilling to provide said services under the terms of the Franchise.

4. To ensure continuity of solid waste collection services in the City in the event of interruption of Contractor's services for any reason, the Contractor has agreed pursuant to Section 10 of the Franchise, to lease to the City any and all vehicles necessary to carry out the solid waste collection services described in the Franchise.

5. This Lease Agreement is a restatement and continuation of a similar Lease Agreement dated as of July 24, 1990 that was entered into between the City and Specialty Garbage and Refuse Service, Inc., as predecessor of Contractor under the Restated Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and premises as hereinafter set forth, it is mutually agreed as follows:

1. Lease of Vehicles. Contractor hereby agrees to lease to the City for the purpose of providing solid waste collection and disposal services the vehicles described in the List of Vehicles attached hereto and incorporated herein as Exhibit A, as such exhibit is amended by the parties from time to time. If new vehicles are purchased as additions or replacements, Contractor

agrees to lease them to City on the same terms and Exhibit A will be amended to incorporate such new vehicles.

2. **Operation.** The City, during the term of this LEASE and while the vehicles described herein are in its possession, shall have the absolute and exclusive control of such vehicles in the same manner as though the City were the absolute owner. It is understood that the City may operate the equipment described herein by its own forces or by separate arrangement with a third party.

3. **Maintenance and Repairs.** The City shall maintain said vehicles in the same condition as they were in when the term commenced at all times during the term of this LEASE and shall, upon termination of this LEASE, return said vehicles to Contractor in the same condition as received, normal wear and tear excepted. The insurance provided by Contractor under the Franchise shall remain in full force and effect during the term of this LEASE.

4. **Warranties.** Contractor warrants that the vehicles shall be furnished to the City in fully operable condition, meeting the requirements of Section 5.14 of the Franchise.

5. **Indemnity.** The indemnities provided by Contractor under the Franchise shall cover any damage or harm suffered in connection with the City's operation of the vehicles due to a breach of the Franchise by Contractor and shall not be diminished or otherwise affected by this LEASE or the City's operation of the vehicles, provided that the limitation on Contractor's contractual indemnity obligation contained in Section 10.03 of the Franchise is applicable to the LEASE.

6. **Term.** The term of this LEASE shall commence when the City takes possession of the vehicles pursuant to a written finding by the City, delivered to Contractor in accordance with Section 8, that the Contractor is unable to provide service, pursuant to Article 10 and/or Article 11 of the Franchise, and shall continue in effect until one of the following events occur:

- a. The Contractor demonstrates to the satisfaction of City that it is able to satisfactorily perform the services called for in the Franchise;
- b. Alternative arrangements satisfactory to the City have been made for the provision of suitable vehicles to the City;
- c. The City awards the franchise to another party; or
- d. Upon the expiration of six months from the date of commencement of this LEASE.

7. **Rental.** The rental to be paid under the terms of this LEASE shall be as shown on Exhibit B, which sums shall be

adjusted in accordance with changes in the Consumer Price Index for the San Francisco-Oakland-San Jose area from July 1, 1991.

8. **Notices.** All notices to be given by this LEASE shall be deemed properly delivered by delivery personally or by depositing the same in the United States Mail, postage prepaid, and addressed as follows:

If to City:

City of Sunnyvale
Solid Waste Program Manager
Public Works Department
456 West Olive Avenue
Sunnyvale, CA 94086

With a copy to:

City Attorney
City of Sunnyvale
456 West Olive Avenue
Sunnyvale, CA 94086

If to Contractor:

Bay Counties Waste
Services, Inc.
3355 Thomas Road
Santa Clara, CA 95054
Attention: President

With a copy to:

David Cohen, Esq.
Cohen & Ostler
525 University Avenue
Suite 410
Palo Alto, CA 94301

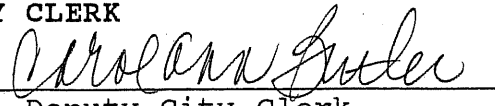
The address to which communications may be delivered may be changed from time to time by a notice given in accordance with this Section.

9. **Binding on Successors.** The provisions of this LEASE shall inure to the benefit of and be binding on the successors and permitted assigns of the parties.

IN WITNESS WHEREOF, City and Contractor have executed this LEASE as of the day and year first above written.

ATTEST:
CITY CLERK

By:


Deputy City Clerk

CITY OF SUNNYVALE ("City")

By:


Vice Mayor

APPROVED AS TO FORM:

By: Charles A. Asmundo
City Attorney

BAY COUNTIES WASTE SERVICES,
INC. ("Contractor")

By: Robert J. Malinani

Name: _____

Title: President

By: Douglas Burton

Name: _____

Title: Vice-President

EXHIBIT A, "LIST OF VEHICLES" TO EXHIBIT E, "LEASE AGREEMENT"

Exhibit A to Exhibit E to the Agreement is amended to reflect changes in equipment as shown in the attached Exhibit A dated December ____, 2004.

City

Contractor

Exhibit A to EXHIBIT 10.01 List of Vehicles

SPECIALTY SOLID WASTE AND RECYCLING

Dept	Veh#	W / W #	Year	Description	License	Vehicle ID Number
10	116	380	00	Volvo Expedito WXL64	6J05936	4V2HC2UE5YN245156
10	117	382	00	Volvo Expedito WXL64	6H53312	4V2HC2UE7YN245157
10	118	375	98	Volvo Front-Loader	5R55129	4VMHCMPE3WN744338
10	131	394	02	Volvo/Heil Front-loader	6U82507	4V2HC6FE42N331621
10	132	301	02	Volvo/Heil Front-loader	6W86156	4V2HC6FE22N331620
10	133	397	02	Volvo/Heil Front-loader	6U82508	4V2HC6FE42N331618
10	134	302	02	Volvo/Heil Front-loader	6W86159	4V2HC6FE02N331616
10	135	396	02	Volvo/Heil Front-loader	6W86158	4V2HC6FE62N331619
10	138	306	02	Volvo/Heil Front-loader	6U82506	4V2HC6FE22N331617
10	139		05	Autocar/Wittke Front Loader		5VCHC6FE05H200811
10	140		05	Autocar/Wittke Front Loader		5VCHC6FE25H200812
20	202	346	95	Peterbilt Roll-Off	6D98174	1XPZL50X8SD708984
20	221	374	98	Volvo Roll-Off	5R51281	4VMHCMPE1WN744340
20	222	378	98	Volvo Roll-Off	5S99120	4VMHCMPEXWN760696
20	223	381	00	Volvo Expedito WXL64	6G98380	4V2HC2UE0YN252130
20	224	393	02	Volvo - Roll-Off	6V74249	4V2HC6UE72N333205
20	226		04	Volvo - Roll-Off - CNG Test		4V5KC9AEX4N367687
30	309	369	95	Peterbilt / Heil Rapid Rail	5E22749	1XPZL50X4SD708979
30	310	367	95	Peterbilt / Heil Rapid Rail	5E22740	1XPZL50X0SD708980
30	313	376	98	Peterbilt/Leach Rear-Loader	6F73183	1NPZX90X5WD711210
30	321	349	02	Volvo/Arata Rearload	6U82504	4V2HC6FE62N333192
30	322	331	02	Volvo/Arata Rearload	6U82505	4V2HC6FE82N333193
30	323	398	02	Volvo/Heil Auto Resi	6X31826	4V2HC6FE32N331626
30	324	399	02	Volvo/Heil Auto Resi	6X32115	4V2HC6FE52N331627
30	325	309	02	Volvo/Heil Auto Resi	6X32113	4V2HC6FE2N331624
30	326	307	02	Volvo/Heil Auto Resi	6X31827	4V2HC6FE92N331629
30	327	314	02	Volvo/Heil Auto Resi	6Y53165	4V2HC6FE2N333194
30	328		05	Autocar/Heil Residential		5VCHC6FEX5H201058
30	329	323	02	Volvo/Heil Auto Resi	6Z02237	4V2HC6FE12N331625
30	330	395	02	Volvo/Heil Auto Resi	6X32112	4V2HC6FE72N331628
40	412	377	98	Volvo Front-Loader	5V35623	4VMHCMPE8WN760695
40	415	373	98	Volvo Front-Loader	5R55130	4VMHCMPE5WN744339
40	419	379	99	Volvo Front-Loader	6A50237	4VMHCMPE3XN781178
40	421	364	99	Volvo Front-Loader	6C01668	4VMHCMPE5XN781179
50	501	361	97	Lodal / Side Loader	6R92681	1L9AP69BXTK006060
50	504	360	97	Lodal / Side Loader	5H80323	1L9AP69B3TK006059
50	505	362	97	Lodal / Side Loader	5H80331	1L9AP69B1TK006061
50	521	347	95	Peterbilt / Leach Rear-Loader	5P45608	1XPZL50X4SD708982
50	522	324	95	Peterbilt / Leach Rear-Loader	5F89377	1XPZL50X6SD708983
50	524	304	84	Crane Carrier Rear-Loader	2N25135	1CYCCC384ET034003
50	525	305	85	Crane Carrier Rear-Loader	5K02275	1CYCCC386FT034005
50	531	312	02	Volvo Yard Waste	6Y51903	4V2HC6FE52N331630
50	532	313	02	Volvo Yard Waste	6Y77528	4V2HC6FE02N331633
50	533	326	02	Volvo Yard Waste	6Y75536	4V2HC6FE72N331631
50	534	315	02	Volvo Yard Waste	6Y75530	4V2HC6FE92N331632
50	535	319	02	Volvo Yard Waste	6Y77529	4V2HC6FE2N331634
50	536	310	85	Crane Carrier Rear-Loader	2N26611	1CYCCC381FT034008
50	538	368	95	Peterbilt / Heil Rapid Rail	5E22744	1XPZL50X2SD708981
70	701	388	95	Crane Carrier / EZ Pack	5J76281	1CYCCP485ST041950
70	702	389	96	Crane Carrier / EZ Pack	5L29004	1CYCCB484TT042544
70	703	390	96	Crane Carrier / EZ Pack	5L29003	1CYCCB482TT042543
70	711	384	01	Volvo/Labrie Expert	6S38182	4V2HC6NE11N260233
70	712	385	01	Volvo/Labrie Expert	6S38183	4V2HC6NE31N260234
70	713	386	01	Volvo/Labrie Expert	6S38181	4V2HC6NEX1N260232
70	714	387	01	Volvo/Labrie Expert	6S38179	4V2HC6NE81N260231
70	715	383	02	AutoCar/Labrie	7A86957	5VCHC6FE53N194261
70	716		03	AutoCar/Labrie	7G92503	5VCH6FE44N195029
70	717		04	AutoCar/Labrie		5VCHC6FE45H200813
80	802	N/A	85	Ford Service Truck	2M51459	1FDNK64NXFVA00880
80	806	N/A	97	Chevrolet C1500	5P06542	2GCEC19R5V1262421
80	808	N/A	03	GMC Service Truck	7075267	1GDE4E1113F512152
80	809	N/A	04	Chevrolet Silverado 25		1GHC24U94E372755
90	901	355	86	International Container Truck	2T87938	2HTNBHGL1GCB10790
90	902	351	91	International Container Truck	4K16599	1HTSAZRMOMH387241
90	903	N/A	95	Ford F450 Stake Bed Truck	6Z16280	1FDLF47F8SEA60820
90	904	N/A	00	Container Truck International	6G99140	1HTSCABM9YH293998
90	908		03	GMC 4500 Stake Bed Truck	TC56783	1GDE4E1123F512175
00	010	N/A	01	Chevrolet Silverado Pickup	6M76599	1GCEC19T71Z166738
00	011	N/A	02	GMC 1500 Ext Cab Pickup	6Z60930	2GTEC19T121317812
00	012	N/A	02	GMC 1500 Reg Cab Pickup	6Z24547	1GTEX14V92Z276426
00	013	N/A	04	GMC Sierra Pickup	7K50198	2GTEC19T941255403

EXHIBIT B

Rental Charge, Per Vehicle, Per Day

Year One

\$31.21 per vehicle, per day

Year Two

Scenario A: \$45.37 per vehicle, per day

Scenario B: \$60.31 per vehicle, per day

Scenario C: \$47.22 per vehicle, per day

L.L. R17
2B.

EXHIBIT 10.02

**1992 AGREEMENT AMONG COMERICA BANK, CONTRACTOR AND CITY
REGARDING ASSIGNMENT OF LEASE PROCEEDS, ETC.**

1993 City Council Acknowledgement of 1992 Agreement

1993 First Amendment to 1992 Agreement

1997 First Amendment of 1992 Agreement

FIRST AMENDMENT OF AGREEMENT RE: ASSIGNMENT OF LEASE PROCEEDS,
INCLUDING ALL PAYMENT OF LEASE PROCEEDS, SUBORDINATION OF
INTEREST ON LOAN AND OTHER TERMS

THIS FIRST AMENDMENT OF AGREEMENT RE: ASSIGNMENT OF LEASE PROCEEDS, INCLUDING ALL PAYMENT OF LEASE PROCEEDS, SUBORDINATION OF INTEREST ON LOAN AND OTHER TERMS (this "First Amendment") is entered into by and between Comerica Bank-California (the "Bank"), Bay Counties Waste Services, Inc. ("Bay Counties") and the City of Sunnyvale (the "City") as of December 16, 1997.

RECITALS

A. The Bank, Bay and the City are parties to the AGREEMENT RE: ASSIGNMENT OF LEASE PROCEEDS, INCLUDING ALL PAYMENT OF LEASE PROCEEDS, SUBORDINATION OF INTEREST ON LOAN AND OTHER TERMS dated as of December 28, 1992 (the "Agreement").

B. The Agreement makes reference to an "Initial Agreement" and the "Consent to Assignment and First Amendment." Pursuant to the Initial Agreement and the Consent to Assignment and First Amendment, the City and Bay entered into certain agreements regarding a franchise for the collection of solid waste, and the City is given the right to lease certain property of Bay and to perform certain functions upon the occurrence of certain events. Pursuant to the Agreement, the Bank, the City and Bay entered into certain agreements regarding the lease of Bay's equipment by the City upon the occurrence of certain events.

C. Bay and the City have subsequently amended the Initial Agreement six times, including the Consent to Assignment and First Amendment, and have consolidated and restated the Initial Agreement and such amendments (including Exhibit "E" thereto) in an agreement entitled Restated Agreement Between the City of Sunnyvale and Bay Counties Waste Services, Inc. for Collection of Solid Waste (the "Restated Agreement.") A true and correct copy of the Restated Agreement has been delivered to the Bank, and said agreement is incorporated herein by this reference.

D. The parties desire to amend the Agreement by this First Amendment to reflect the fact of such restatement.

NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. The Agreement is amended as of the date hereof to provide that all references in the Agreement (other than in paragraphs A through D of the recitals) to the Initial Agreement and the Consent to Assignment and First Amendment shall be to the Restated Agreement.

2. The Bank agrees that the City and Bay may further amend the Restated Agreement without affecting the consent and the authorization granted by the Bank in the Agreement as amended hereby, but only on the condition that any such amendment will not adversely affect the rights and powers of the Bank under the Agreement as amended, or modify adversely with respect to the Bank the duties and obligations of Bay or the City to the Bank under the Agreement as so amended.

3. Except as provided herein, the Agreement remains in full force and effect and unmodified hereby.

IN WITNESS WHEREOF, the parties have agreed to the foregoing as of the date first set forth above.

Approved as to form:
Salvatore J. Armento
CITY ATTORNEY

THE CITY OF SUNNYVALE

By: Robert J. LaBala
Its: City Manager

COMERICA BANK-CALIFORNIA

By: [Signature]
Its: Vice President

BAY COUNTIES WASTE SERVICES,
INC.

By: [Signature]
Its: _____

ATTACHED HERETO ON JANUARY 27, 1993 AND MADE A PART THEREOF THAT CERTAIN "AGREEMENT RE: ASSIGNMENT OF LEASE PROCEEDS, INCLUDING ALL PAYMENTS OF LEASE PROCEEDS, SUBORDINATION OF INTEREST AND OTHER TERMS" (THE "AGREEMENT") DATED DECEMBER 28, 1992 AND EXECUTED BY AND BETWEEN COMERICA BANK-CALIFORNIA (THE "BANK"), BAY COUNTIES WASTE SERVICES INC. ("BAY COUNTIES") AND THE CITY OF SUNNYVALE (THE "CITY").

WHEREAS ON DECEMBER 17, 1992, THE CITY COUNCIL OF THE CITY OF SUNNYVALE PROPOSED AND ADOPTED ORDINANCE NO. 2426-92 APPROVING THE ASSIGNMENT AND AMENDMENT OF A FRANCHISE FOR THE COLLECTION OF SOLID WASTE AND AMENDING ORDINANCE NO. 2334-90.

WHEREAS ON JANUARY 26, 1993, THE CITY COUNCIL OF THE CITY OF SUNNYVALE PROPOSED AND ADOPTED ORDINANCE NO. 2428-93, AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE APPROVING THE ASSIGNMENT AND AMENDMENT OF FRANCHISE FOR THE COLLECTION OF SOLID WASTE AND AMENDING AND SUPPLEMENTING ORDINANCE NO, 2426-92.

NOW, THEREFORE, THE BANK, BAY COUNTIES AND THE CITY DO HEREBY ACKNOWLEDGE THAT ALL TERMS, CONDITIONS AND PROVISIONS AS STATED IN THE AGREEMENT DATED DECEMBER 28, 1992 REMAIN IN EFFECT, INCLUDING, WITHOUT LIMITATION, THE BANK'S SECURITY INTEREST IN THE PROCEEDS OF THE AGREEMENT, AS AMENDED.

IN WITNESS THEREOF, THE PARTIES HAVE AGREED TO THE FOREGOING AS OF THE DATE FIRST SET FORTH ABOVE.

THE CITY OF SUNNYVALE

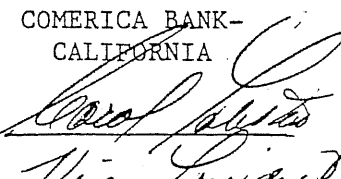
by:



its: City Manager

COMERICA BANK-
CALIFORNIA

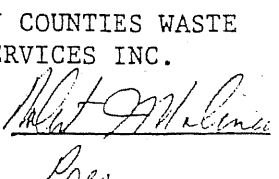
by:



its: Vice President

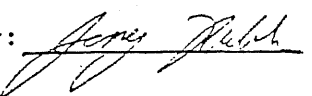
BAY COUNTIES WASTE
SERVICES INC.

by:



its: Pres.

by:



its: SECRETARY

FIRST AMENDMENT TO AGREEMENT RE:
ASSIGNMENT OF LEASE PROCEEDS, INCLUDING
ALL PAYMENT OF LEASE PROCEEDS,
SUBORDINATION OF INTEREST AND OTHER TERMS

ORIGINAL

This First Amendment to Agreement Re: Assignment of Lease Proceeds, Including All Payment of Lease Proceeds, Subordination of Interest and Other Terms (this "Amendment") is entered into by and between Comerica Bank-California (the "Bank"), Bay Counties Waste Services, Inc. ("Bay Counties") and the City of Sunnyvale (the "City") as of this 7TH day of November 1993.

RECITALS

A. The parties hereto have previously executed that certain Agreement Re: Assignment of Lease Proceeds, Including All Payment of Lease Proceeds, Subordination of Interest and Other Terms dated December 28, 1992 (the "Agreement").

B. The City has requested, and the Bank has agreed, to modify the Agreement to provide as set forth below.

AGREEMENT

For good and valuable consideration, receipt of which is hereby acknowledged, the parties have agreed as set forth below.

1. Incorporation By Reference of Recitals. The foregoing Recitals are hereby incorporated herein by this reference.

2. Incorporation by Reference of Loan Agreements. All of the agreements referred to above, and/or in paragraph 1 of the Agreement are hereby incorporated herein by this reference.

3. Section 2 of the Agreement, page 3, is amended to read as follows: "The City agrees that in the event that it takes possession of the Property it will direct all rental payments due under Article 10 of the Initial Agreement and Exhibit E thereto to the Bank at the address set forth below:

Comerica Bank California
55 Almaden Boulevard
San Jose, California 95113
Attn: James G. LaPlante, Jr."

4. Section 4 of the Agreement, page 3, is amended to read as follows: "In the Event that the City takes possession of the Property while Bay Counties is indebted to Bank, the City agrees that it will pay to the Bank a monthly payment as rent in the amount set forth

in Exhibit "E" to the Initial Agreement or an amount equal to the monthly payment of principal on indebtedness of Bay Counties to Bank to purchase the Property that is required to be paid for the month during which City has possession, whichever is greater, computed on a daily basis for the number of days that the City has possession, for the first ninety (90) days after it takes possession of the Property. For purposes of the preceding sentence, the amount of the monthly payment if principal shall not exceed \$116,000 and shall be determined prior to any acceleration of payment of indebtedness that may otherwise be permitted by reason of a default by Bay Counties with respect to the indebtedness."

5. Amendment to Section 5 of the Agreement, page 4, is amended to read as follows: "In the event that the City takes possession of the Property and retains possession thereof for a period of time greater than ninety (90) days, the City agrees that commencing as of the 91st day after possession, it will pay to the Bank a monthly payment as rent in the amount set forth in Exhibit "E" to the Initial Agreement or an amount equal to the monthly payment of principal on indebtedness of Bay Counties to Bank to purchase the Property that is required to be paid for the month during which City has possession, together with interest on the principal balance of such indebtedness, whichever is greater, computed on a daily basis for the number of days that the City has possession. For purposes of the preceding sentence, the amount of the monthly payment of principal shall not exceed \$116,000 and shall be determined prior to any acceleration of payment of indebtedness that may otherwise be permitted by reason of a default by Bay Counties with respect to the indebtedness. Bank warrants to City that Bank's interest rate on such indebtedness will be reasonable and customary."

6. Effect of Modification. Except as hereby amended, all the terms set forth in the original Agreement Re: Assignment of Lease Proceeds, Including All Payment of Lease Proceeds, Subordination of Interest and Other Terms dated as of December 28, 1992, remain as originally drawn. Except as set forth in paragraphs 3, 4 and 5 of the Amendment, the execution of this First Amendment shall not operate as a waiver of any provision of the Agreement or any other agreement.

7. Integration. This is an integrated agreement, and contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, offers and negotiations, oral or written with respect to the subject matter hereof.

8. Amendments. No supplement, modification or amendment of this Amendment shall be binding unless executed in writing by the parties hereto.

9. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same original Amendment.

10. Attorneys' Fees and Costs. In the event that any party to this Amendment or the Agreement or any other documents relating hereto should retain an attorney as a result of any dispute over or to enforce any provision of this Amendment when executed or the

Agreement, the prevailing party in any litigation or other formal or informal resolution of any such dispute over or enforcement or interpretation of this Amendment when executed or the agreement shall be entitled to recover all of its reasonable attorneys' fees, costs, expenses, whether out-of-pocket or legally recoverable, incurred as a result of said dispute or enforcement.

In witness whereof, the parties have agreed to the terms of this Amendment as of the date first set forth above.

THE CITY OF SUNNYVALE

BAY COUNTIES WASTE SERVICES, INC.

By:



Its: City Manager

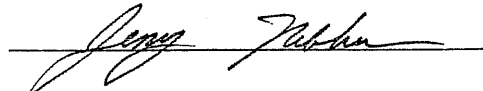
By:



Its: President

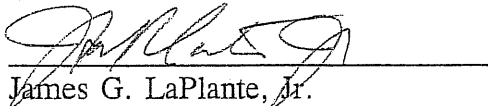
COMERICA BANK-CALIFORNIA

By:



Its: Secretary

By:


James G. LaPlante, Jr.

Its: Vice President

APPROVED AS TO FORM:


VALERIE J. ARMENTO
CITY ATTORNEY

AGREEMENT RE: ASSIGNMENT OF LEASE PROCEEDS, INCLUDING ALL
PAYMENT OF LEASE PROCEEDS, SUBORDINATION OF INTEREST
AND OTHER TERMS

This Agreement Re: Assignment of Lease Proceeds, Including All Payment of Lease Proceeds, Subordination of Interest, and Other Terms (this "Agreement") is entered into by and between Comerica Bank-California (the "Bank"), Bay Counties Waste Services, Inc. ("Bay Counties") and the City of Sunnyvale (the "City") as of this 28th day of December, 1992.

RECITALS

A. The Bank has been requested, and has agreed, on certain conditions, to make financial accommodations to Bay Counties.

B. Bay Counties has or will purchase the capital stock of Specialty Solid Waste & Recycling, Inc. ("Specialty").

C. Specialty and the City have entered into an agreement whereby Specialty will collect solid waste for the City, as provided more completely in that certain agreement entitled Agreement Between the City of Sunnyvale and Specialty Garbage and Refuse Service, Inc. for Collection of Solid Waste entered into as of July 24, 1990, (the "Initial Agreement"). A true and correct copy of the Initial Agreement is attached hereto as Exhibit "A" and is incorporated by reference herein.

D. Thereafter, the City and Specialty entered into that certain agreement entitled Consent to Assignment and First Amendment to Agreement between the City of Sunnyvale and Specialty Garbage and Refuse Service, Inc. for the Collection of Solid Waste, dated December 17, 1992 (the "Consent and Amendment"), in which, among

other things, the City agreed that Bay Counties could take over the performance of the duties of Specialty under the Initial Agreement. A true and correct copy of the Consent and Amendment is attached hereto as Exhibit "B" and is incorporated herein by this reference.

E. Among other things, the Initial Agreement contains a provision that provides that in the event that Specialty, for any reason whatsoever, fails, refuses or is unable to collect or transport any or all of the solid waste as required under the Initial Agreement for a period of more than forty-eight (48) hours, then the City shall have the right, but not the obligation, upon notice of to Specialty, to either (1) perform, or cause to be performed, such services with its own personnel, and/or (2) to take possession of any or all of Specialty's land, equipment and other Property (the "Property") used or useful in the collection and transportation of solid waste, and to use such Property to collect and transport any solid waste generated within the City. The Initial Agreement further provides that in the event the City takes possession of the Property, it has an obligation to pay to Specialty the reasonable rental value of the Property for the period of time during which it has possession thereof.

F. Bank would not be willing to advance monies to Bay Counties unless Bay Counties assigns to Bank any right to receive the lease payments referred to above, and the City agrees to pay such lease payments to Bank in the amounts set forth in greater detail below. Bank further would not be willing to advance monies to Bay Counties if the City did not acknowledge and agree that its rights to take possession of the Property under the Initial Agreement is subordinate to the security interest of the Bank therein, and that the City may only retain the possession thereof if it makes the rental payments

described below to the Bank. The City and Bay Counties have so agreed as set forth more completely below.

AGREEMENT

For good and valuable consideration, the parties agree as set forth below.

1. The foregoing recitals and agreements referenced above are incorporated herein by this reference.
2. The City agrees that in the event that it takes possession of the Property it will direct all rental payments due under Article 10 of the Initial Agreement and Exhibit E thereto to the Bank at the address set forth below:

Comerica Bank-California
55 Almaden Boulevard
San Jose, California 95113
Attn.: Carol Palestro

3. In the event that the City takes possession of the Property, the City agrees that the Bank's security interest therein remains in full force and effect and is superior to any rights the City may have therein, except that the Bank agrees that provided that the City is not in default under the terms of this Agreement, Bank will not take any action to interfere with the rights of the City to use the Property under the Initial Agreement and the Consent and Amendment.

4. In the event that the City takes possession of the Property while Bay Counties is indebted to Bank, the City agrees that it will pay to the Bank a monthly payment as rent in the amount set forth in Exhibit "E" to the Initial Agreement or \$35,110.00, whichever is greater, computed on a daily basis for the number of days that

the City has possession, for the first ninety (90) days after it takes possession of the Property.

5. In the event that the City takes possession of the Property and retains possession thereof for a period of time greater than ninety (90) days, the City agrees that commencing as of the 91st day after possession, it will pay to the Bank a monthly payment as rent in the amount set forth in Exhibit "E" to the Initial Agreement or \$35,110.00 plus interest on the principal balance of the loan from the Bank to Bay Counties, whichever is greater, computed on a daily basis as described above.

6. In the event the City takes possession of the Property, it will maintain insurance thereon and will name the Bank as the loss payee thereon.

7. Unless otherwise provided in this Agreement, all notices or demands by either party on the other relating to this Agreement shall be in writing and sent by regular United States mail, postage prepaid, properly addressed to the City or to the Bank at the addresses stated in this Agreement, or to such other addresses as the City or the Bank may from time to time specify to the other in writing. Requests to the City by the Bank hereunder may be made orally.

8. The validity of this Agreement, its construction, interpretation and enforcement, and the rights of the parties hereunder and concerning the Property, shall be determined under and according to the laws of the State of California. The parties agree that all actions or proceedings arising in connection with this Agreement shall be tried and litigated only in the state and federal courts located in the Northern District of California or the County of Santa Clara.

9. This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; provided, however, that the City may not assign this Agreement or any rights hereunder without the Bank's prior written consent and any prohibited assignment shall be absolutely void. No consent to an assignment by the Bank shall release the City or any guarantor from their obligations to the Bank. The Bank may assign this Agreement and its rights and duties hereunder. The Bank reserves the right to sell, assign, transfer negotiate or grant participations in all or any part of, or any interest in the Bank's rights and benefits hereunder. In connection therewith, the Bank may disclose all documents and information which the Bank now or hereafter may have relating to the City or the City's business.

10. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against the Bank or the City, whether under any rule or construction or otherwise; on the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto. When permitted by the context, the singular includes the plural and vice versa.

11. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

12. This Agreement cannot be changed or terminated orally. Except as to currently existing obligations owing by the City to the Bank, all prior agreements, understandings, representations, warranties and negotiations, if any, are merged into this Agreement.

13. Bay Counties hereby acknowledges and agrees to the foregoing and further agrees to execute all documents and take all actions necessary to carry out the terms set forth above.

14. The incorporation by reference of the Initial Agreement and the Consent and Amendment in this Agreement is not intended to make Bank a party to either such agreement nor to modify either agreement except as expressly provided in paragraphs 2 through 6 hereof, nor to affect the rights of City and Bay Counties under such agreements, including, without limitation, their rights to amend such agreements; provided, however, the City and Bay Counties agree that Article 10 of the Initial Agreement will not be modified without Bank's prior written approval.

IN WITNESS WHEREOF, the parties have agreed to the foregoing as of the date first set forth above.

THE CITY OF SUNNYVALE

By: Thomas F. Lurich

Its: City Manager

COMERICA BANK-CALIFORNIA

By: Carol Palestro

Carol Palestro

Its: Vice President

BAY COUNTIES WASTE SERVICES

By: Robert Malin

Its: Pres.

Greg Hubb
SECRETARY